



# **MAINE REVENUE SERVICES SALES, FUEL & SPECIAL TAX DIVISION INSTRUCTIONAL BULLETIN NO. 33**

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## **CHILDREN'S SUMMER CAMPS**

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This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. It contains general and specific information of interest as well as interpretations and determinations by Maine Revenue Services regarding issues commonly faced by your business. Portions of the Sales and Use Tax Law referred to in this bulletin can be found at the end of the bulletin in Attachment #1. Also attached are applicable Sales and Use Tax Rules.

Children's summer camps in this State will be affected by the Maine Sales and Use Tax Law in three principal ways, as follows:

- i. Sales of meals;
- ii. Retail sales made by camp stores; and
- iii. Use tax on purchases.

### **1. SALES OF MEALS**

Sales of meals are subject to tax under the Maine Sales and Use Tax Law. However, where children's summer camps have regularly scheduled activities, and where those activities include regular periods of instruction by qualified instructors, meals furnished to the children attending the camp and to the instructors are considered exempt as sales of school meals.

In order for sales of meals by a children's camp to be considered exempt, the camp must apply to the Sales and Use Tax Section for a determination that the camp is a "school" within the meaning of 36 M.R.S.A. 1760(6-A). Meals sold by children's summer camps that have not applied for and received a determination, and meals sold to persons other than children attending the camp and its instructors, are taxable.

### **2. RETAIL SALES AT CAMP STORES**

If the camp operates a store for the sale of candy, soft drinks, camping supplies and similar items, the camp is a retailer and must collect and report Maine sales tax on those sales. Items purchased for resale may be purchased free of tax by furnishing the supplier with a resale certificate as provided in Rule 301.

### 3. PURCHASES

**a. Purchases for Own Use.** Children's summer camps are subject to tax on purchases of tangible personal property and taxable services for use in this State unless they qualify for and have been issued exemption certificates issued by the Sales and Use Tax Section under the provisions of Rule 302. The Maine Sales and Use Tax Law does not provide an exemption for sales to summer camps as such, or any general exemption for charitable or nonprofit organizations. If the purchase is made from a retailer registered under the Maine Sales and Use Tax Law, sales tax should be paid at the time of purchase. If the seller does not collect the tax, use tax, measured by the purchase price, must be reported and paid directly to the State on the monthly Sales and Use Tax Return.

**b. Purchases for Resale.** When a retailer purchases tangible personal property for resale, the retailer should furnish the supplier with a resale certificate as provided in Rule 301. The certificate will enable the retailer to purchase tangible personal property for resale without payment of sales tax. Only one certificate need be filed with each supplier to cover subsequent purchases. However, the retailer must state to the supplier whether the purchase is for resale or not and will be held responsible for the tax on any item purchased for resale but subsequently used by the retailer.

**Purchasers who avoid payment of tax through deliberate misuse of resale certificates will be subject to prosecution.**

### 4. RENTAL OF LIVING QUARTERS

The Maine sales tax does not apply to rentals of living quarters to children attending boys' and girls' summer camps.

### 5. ADDITIONAL INFORMATION.

The information in this bulletin addresses some of the more common questions regarding the Sales and Use Tax Law faced by your business. It is not intended to be all inclusive. Requests for information on specific situations should be in writing, should contain full information as to the transaction in question and should be directed to the:

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SALES/EXCISE TAX DIVISION  
P.O. BOX 1065  
AUGUSTA, ME 04332-1065  
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**ATTACHMENT #1**  
**Excerpts taken from 36 M.R.S.A.**

**36 §1752. Definitions**

The following words, terms and phrases when used in chapters 211 to 225 have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

**10. Retailer.** "Retailer" means any person who makes retail sales or who is required to register by 1754 or is registered under 1756.

**11. Retail sale.** "Retail sale" means any sale of tangible personal property in the ordinary course of business for any purpose other than for resale, except resale as a casual sale, in the form of tangible personal property. "Retail sale" also means any sale of a taxable service in the ordinary course of business for any purpose other than for resale, except resale as a casual sale.

**36 §1760. Exemptions**

No tax on sales, storage or use shall be collected upon or in connection with:

**3. Food products.** Sales of food products except:

- A. Meals served on or off the premises of the retailer;
- B. Drinks or food furnished, prepared or served for consumption at tables, chairs or counters, or from trays, glasses, dishes or other tableware provided by the retailer;
- C. Those products which ordinarily are sold by the retailer for immediate consumption on or near the location of the retailer, even though the products are sold on a "take out" or "to go" order and are actually packaged or wrapped and taken from the premises;
- D. Those made from a retail location from which food ordinarily is sold for consumption without further preparation or storage; and
- E. Sales of heated food or drinks; sandwiches; ice cream or ice milk in a cone or cup, including sundaes, sodas, frappes and the like, ice cream or ice milk novelties and pop-sicles.

**6. Certain meals.** Sales of meals:

- A. Served by public or private schools, school districts, student organizations and parent-teacher associations to the students or teachers of a school;

**17. Camps.** Rental charged for living quarters, sleeping or housekeeping accommodations at camps entitled to exemption from property tax under section 652, subsection 1.

**59. Sales to certain incorporated nonprofit educational organizations.** Incorporated nonprofit educational organizations which are receiving, or have received, funding from the Department of Education, and which provide educational programs specifically designed for teaching young people how to make decisions about drugs, alcohol and interpersonal relationships at a residential camp setting.

**Relevant Rules:**

**#301 - Sales for Resale and Sales of Packaging Materials**

**#304 - Reports and Payments**

**#305 - Retailers' Records**

**#322 - Sales of Food Products**